

## Message Text

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TO AMEMBASSY PANAMA NIACT IMMEDIATE

UNCLAS STATE 091117

E.O. 11652: N/A

TAGS: SOPN, PN

SUBJECT: PANAMA CANAL TREATIES PRESS REPORT

REF: EMBASSY'S REQUEST

1. FOLLOWING ARE PRESS ARTICLES ON PANAMA TAKEN FROM SUNDAY, APRIL 9 WASHINGTON STAR, WASHINGTON POST, AND NEW YORK TIMES.
2. WASHINGTON POST, PAGE 1: "PANAMA TO SEND ENVOYS TO U.S. TO SAVE TREATIES - CARTER CAUTIONS ABOUT OBJECTIONS"

### QUOTE

PRESIDENT CARTER HAS ADDRESSED A VEILED WARNING TO PANAMA THAT ITS OBJECTIONS TO SENATE AMENDMENTS TO THE FIRST PANAMA CANAL TREATY COULD ENDANGER PASSAGE OF THE SECOND TREATY.

CARTER'S VOICE JOINS A CHORUS OF SENATORS WHO ARE UPSET AT PANAMA'S PUBLIC, BUT UNOFFICIAL, EXPRESSIONS OF UN-UNCLASSIFIED

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HAPPINESS AT A SENATE-APPROVED AMENDMENT GIVING THE UNITED STATES THE RIGHT TO INTERVENE MILITARILY TO KEEP THE CANAL OPEN AFTER IT IS TAKEN OVER BY PANAMA IN THE

YEAR 2000.

"I THINK ANY SORT OF A CHANGE OR UNPREDICTABLE DEVELOPMENT COULD ENDANGER THE PASSAGE OF THE SECOND PANAMA CANAL TREATY IN THE SENATE BECAUSE IT HANGS LIKE A THREAD," CARTER SAID. "THE SUPPORT THAT WE HAVE IS PRETTY TENUOUS

IN SOME INSTANCES...

"ANY STATEMENT, EVEN IF IT IS WELL-BASED, BY THE PANAMANIAN THAT WOULD CAUSE CONSTERNATION OR DOUBT IN THE MINDS OF U.S. SENATORS COULD VERY WELL ENDANGER THE PASSAGE OF THE SECOND TREATY."

CARTER MADE THE REMARKS AT A PRESS CONFERENCE FRIDAY WITH VISITING EDITORS AND BROADCAST EXECUTIVES. THE TEXT OF THE INTERVIEW WAS RELEASED YESTERDAY.

IN A LETTER TO THE UNITED NATIONS, PANAMA HAS PROTESTED AN AMENDMENT TO THE FIRST TREATY SPONSORED BY SEN. DENNIS DECONCINI (D-ARIZ). THE AMENDMENT IS FORMALLY KNOWN AS A "RESERVATION" SINCE IT IS AN APPENDAGE TO THE TREATY RATHER THAN AN AMENDMENT TO ITS BODY.

A SPOKESMAN FOR DECONCINI SAID YESTER THE SENATOR WILL PROPOSE A SIMILAR RESERVATION TO THE SECOND TREATY.

THE FIRST TREATY, APPROVED 68 TO 32 LAST MONTH, PROVIDES FOR NEUTRALITY OF THE CANAL AFTER IT IS TURNED OVER TO PANAMA. THE SECOND TREATY, TO BE VOTED ON APRIL 18, UNCLASSIFIED

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PROVIDES FOR THE UNITED STATES TO TURN OVER THE CANAL TO PANAMA BY 2000.

"THIS IS JUST DOING THE SAME THING FOR THE SECOND ONE AS WE DID FOR THE FIRST," THE SPOKESMAN SAID. "IT'S NOT LOGICALLY CONSISTENT TO SAY WE CAN DO IT AFTER THE YEAR 2000, WHEN WE WILL HAVE NO MILITARY PRESENCE IN PANAMA, BUT NOT BETWEEN NOW AND THEN."

DEPUTY SECRETARY OF STATE WARREN CHRISTOPHER VISITED DECONCINI FRIDAY, BUT THE SPOKESMAN SAID HE MADE NO EFFORT TO DISSUADE THE SENATOR FROM OFFERING THE RESERVATION. THE AIDE SAID DECONCINI WILL VOTE AGAINST THE TREATY IF THE RESERVATION IS NOT ADOPTED.

THE PANAMANIAN GOVERNMENT IS REPORTEDLY SPLIT OVER ITS INDICATIONS OF OPPOSITION TO THE DECONCINI RESERVATION.

WASHINGTON POST SPECIAL CORRESPONDENT MARLISE SIMONS REPORTED FROM PANAMA CITY ON FRIDAY THAT OFFICIALS WERE

JUST BECAUSE OF THE DECONCINI RESERVATION.  
-CAUSE OF THE DECONCINI RESERVATION.

SENATE MAJORITY LEADER ROBERT C. BYRD (D-W. VA.) SAID AT HIS REGULAR SATURDAY PRESS CONFERENCE THAT THE SENATE SHOULD IGNORE THE CONTROVERSY IN PANAMA AND "JUST CONTINUE WITH OUR HANDS ON THE PLOW; TO CONSIDER

THE SECOND TREATY.

"WE'RE SEEING A VENTING OF SOME PRESSURES, PRESSURES AGAINST THE GOVERNMENT THERE," BYRD SAID. "AND IT BEHOOVES US TO KEEP OUR EYE ON THE BALL, AND TO MAKE OUR DECISION...ON THE MERITS OF THE TREATY, AND WHAT'S IN THE BEST INTERESTS OF THE UNITED STATES."

BYRD SAID HE IS STILL ,CAUTIOUSLY OPTIMISTIC" THAT  
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THE SENATE WILL APPROVE THE SECOND TREATY. HE SAID HE HAS HAD NO INDICATION THAT PANAMANIAN PROTESTS HAVE CHANGED ANY VOTES.

CARTER SOUGHT IN HIS PRESS CONFERENCE TO REASSURE PANAMA THAT THE DECONCINI RESERVATION DOES NOT INDICATE A U.S. INTENTION TO INTERVENE IN PANAMA'S AFFAIRS.

"THE DECONCINI AMENDMENT IS NOT WHAT I WOULD HAVE PREFERRED, BUT I THINK IT IS ACCURATE TO POINT OUT THAT THE TEXT OF THE TREATIES SPECIFICALLY SAYS, IN LANGUAGE THAT GEN. TORRIJOS AND I PERSONALLY WROTE DOWN, THAT WE DO NOT HAVE ANY INTENTION NOR RIGHT TO INTERFERE IN THE INTERNAL AFFAIRS OF PANAMA," HE SAID.

3. WASHINGTON POST, PAGE 1: "PANAMA TO SEND ENVOYS TO U.S. TO SAVE TREATIES - OPPOSITION TO PACT THREATENS TORRIJOS"

PANAMA CITY -- FACED WITH A RAPIDLY GROWING "DUMP THE TREATY' MOVEMENT, GEN. OMAR TORRIJOS PLANS TO DISPATCH ENVOYS TO WASHINGTON NEXT WEEK IN AN EFFORT TO FIND A NEW FORMULA TO STAVE OFF PANAMANIAN REJECTION OF THE PANAMA CANAL TREATIES.

THE ENVOYS ARE EXPECTED TO TELL U.S. OFFICIALS THAT PANAMA MAY BE FORCED TO RENOUNCE THE TREATIES UNLESS THE UNITED STATES IS WILLING TO SOFTEN THE DECONCINI AMENDMENT, WHICH ASSERTS AMERICA'S RIGHT TO SEND TROOPS INTO PANAMA AFTER THE YEAR 2000 TO KEEP THE CANAL OPEN.

THE GOVERNMENT ORIGINALLY PLANNED TO SEND TWO ENVOYS TO WASHINGTON YESTERDAY, BUT THE TRIP WAS POSTPONED AT THE  
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LAST MOMENT. INSTEAD, AMBASSADOR TO WASHINGTON GABRIEL LEWIS RETURNED TO PANAMA YESTERDAY AND A GROUP OF ENVOYS FAMILIAR WITH THE TREATIES IS NOW EXPECTED TO GO TO THE UNITED STATES TOMORROW.

"WE'RE GOING TO WASHINGTON TO RESCUE THE TREATY," A VISIBLY TENSE TOP OFFICIAL SAID YESTERDAY. "THE SITUATION IS TERRIBLE HERE. IT'S CLEAR NOW THAT AS IT IS, WE CAN'T GET THE TREATY APPROVED HERE SHORT OF USING FORCE.,

THE DECONCINI RESERVATION TO THE NEUTRALITY TREATY, WHICH WAS APPROVED BY THE U.S. SENATE, HAS LED TO A GROWING SENSE OF OUTRAGE HERE IN PANAMA THAT HAS SPREAD ACROSS THE ENTIRE POLITICAL SPECTRUM. IT IS NOW WIDELY FELT HERE THAT ACCEPTANCE OF THIS RESERVATION WOULD THREATEN THE SURVIVAL OF THE TORRIJOS GOVERNMENT.

THE RESERVATION, PROPOSED BY SEN. DENNIS DECONCINI (D-ARIZ.) ASSERTS AN OPEN-ENDED AMERICAN RIGHT TO SEND TROOPS INTO PANAMA IF CANAL OPERATIONS ARE INTERFERED WITH AFTER THE CANAL IS TURNED OVER TO PANAMA ON DEC. 31, 1999.

THE PANAMANIAN OFFICIAL DECLINED TO EXPLAIN WHAT PROPOSALS PANAMA WILL MAKE TO WASHINGTON.

"THE MOST IMPORTANT THING IS TO SAVE THE SITUATION. WE CAN'T HAVE A HANDFUL OF FOOLS DESTROY EVERYTHING THAT HAS BEEN ACHIEVED," HE SAID, REFERRING TO THE BACKERS OF THE DECONCINI RESERVATION.

WELL-PLACED DIPLOMATIC SOURCES HERE BELIEVE THAT PANAMA MAY PROPOSE VARIOUS OPTIONS TO TAKE THE STING OUT OF THE DECONCINI CLAUSE, INCLUDING ADDING ITS OWN RESERVATION TO THE PACT, OR ASKING FOR SOME SORT OF UNCLASSIFIED

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STATEMENT FROM THE U.S. SENATE SAYING THAT IT HAS NO INTENTION OF INTERVENING IN PANAMA'S INTERNAL AFFAIRS.

THEY ADDED THAT THE PANAMANIAN ATTEMPTS WERE LIKELY TO BE UNACCEPTABLE TO TREATY OPPONENTS IN THE SENATE WHO HAVE BEEN ANGERED BY TORRIJO RECENT COMPLAINT ABOUT THE RESERVATION IN A LETTER TO THE UNITED NATIONS.

THE LETTER WAS SEEN HERE AS EVIDENCE OF THE TREMENDOUS DOMESTIC PRESSURE ON TORRIJOS TO REJECT THE RESERVATION AND AS THE BEGINNING OF THE EFFORT TO LINE UP INTERNATIONAL SUPPORT IF PANAMA DECIDES TO REJECT THE TREATY.

YESTERDAY THE GOVERNMENT REITERATED THAT IT HAS NOT REJECTED THE TREATIES, BUT IT IS KNOWN TO BE DEEPLY DIVIDED.

KNOWLEDGEABLE PERSONS HERE SAY THAT ONE FACTION, IN-

CLUDING TORRIJOS, THE NEGOTIATORS AND SOME OF HIS  
MILITARY ADVISERS, SUPPORTS AN ALL-OUT EFFORT TO WORK  
OUT WITH WASHINGTON A FORMULA TO SAVE THE TREATIES.

ANOTHER GROUP, INCLUDING SEVERAL CABINET MINISTERS,  
THE LEGISLATIVE COUNCIL AND A NUMBER OF MILITARY OFFI-  
CIALS, IS KNOWN TO FAVOR PULLING OUT SINCE THEY ANTICI-  
PATE NO SOLUTION ACCEPTABLE TO PANAMA. SEVERAL GOVERN-  
MENT OFFICIALS HAVE SAID PRIVATELY THAT THEY WILL RESIGN  
IF TORRIJOS ACCEPTS THE TREATY WITH THE DECONCINI RESER-  
VATION.

U.S. OFFICIALS ALSO CONCEDE THAT TREATY RATIFICATION  
IS SERIOUSLY THREATENED IN BOTH COUNTRIES.  
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"PANAMA HAD IMPLICITLY ACCEPTED THE INTERVENTION CLAUSE  
ALL ALONG," SAID ONE WORRIED U.S. OFFICIAL "BUT THE  
LANGUAGE IN THE INTERVENTION CLAUSE IS LIKE A LARGE  
NEON SIGN SAYING 'THE LADY IS A WHORE.' THERE IS NO  
DOUBT NOW THAT SIGN MUST COME DOWN OR BE COVERED UP FOR  
PANAMA TO ACCEPT."

IN THE THREE WEEKS SINCE THE CONTROVERSIAL MARCH 16  
SENATE VOTE, THERE HAS BEEN A STRONG BUILDUP OF ANTI-  
AMERICAN FEELINGS HERE AND DEMANDS TO REJECT THE TREATIES  
HAVE GROWN. THE LAST STRAW CAME LAST THURSDAY NIGHT AS  
THE CAUTIOUS AND CONSERVATIVE LIBERAL PARTY, WHICH HAD  
SUPPORTED THE TREATIES ALL ALONG, ANNOUNCED AN ABOUT  
FACE.

IN A MEETING WITH PANAMANIAN CHIEF NEGOTIATOR ROMULO  
ESCOBAR, ORGANIZED BY A BUSINESSMEN'S ASSOCIATION, POLI-  
TICAL GROUPS OF LEFT, RIGHT AND CENTER DEMANDED THAT  
THE GOVERNMENT DUMP THE TREATIES AND BEGIN NEGOTIATIONS  
ANEW.

THE STRONG PANAMENISTA PARTY, THE CHRISTIAN DEMOCRATIC  
PARTY, CHURCH GROUPS, THE INDEPENDENT LAWYERS MOVEMENT,  
AND THE POWERFUL BUSINESS ASSOCIATION CONEP HAD DEMANDED  
EARLIER THAT THE INTERVENTION CLAUSE BE REJECTED.

"IT WAS VERY DRAMATIC," SAID ONE BUSINESSMAN WHO ATTENDED,  
"IT'S THE FIRST TIME EVERYONE HAS UNITED AGAINST THE  
TREATIES, PROFESSIONALS, BUSINESSMEN, LAWYERS, EVERY-  
ONE. THE GOVERNMENT IS PRACTICALLY LEFT ALONE."

ALTHOUGH THE MILITARY GOVERNMENT ABOLISHED ALL POLITICAL  
PARTIES AFTER TAKING POWER IN A COUP IN 1968, THEY  
SURVIVE AS LOBBYING AND INTEREST GROUPS WHICH THE  
GOVERNMENT OFTEN HAS TO TAKE INTO ACCOUNT. LONG-TIME  
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PANAMA WATCHERS AGREE THAT THE SOLID ANTI-TREATY BLOC THAT HAS EMERGED NOW IS UNPRECEDENTED HERE AND CANNOT BE IGNORED BY THE GOVERNMENT IF IT IS TO SURVIVE.

THE CHANGE OF POSITION BY THE BUSINESS SECTOR, WHICH HAS LONG WANTED THE TREATY FOR ITS ECONOMIC BENEFITS, IS SEEN HERE AS PARTICULARLY SIGNIFICANT AND PERHAPS DECISIVE FOR THE TORRIJOS GOVERNMENT. THE COUNTRY'S BUSINESSMEN HAVE LONG BEEN AT WAR WITH THE POPULIST GOVERNMENT AND BLAMED IT FOR PANAMA'S CURRENT DEEP ECONOMIC CRISIS.

"IT'S NO LONGER A QUESTION OF WHETHER WE LIKE TORRIJOS OR WHETHER WE HAVE AN ECONOMIC CRISIS" SAID ONE COMPANY DIRECTOR. THE AMERICANS HAVE GONE TOO FAR. WE MAY BE BUSINESSMEN BUT WE'RE PANAMANIAN TOO."

ONLY THE SMALL BUT INFLUENTIAL COMMUNIST PARTY HAS FOLLOWED THE GOVERNMENT REQUEST NOT TO COMMENT ON THE TREATIES UNTIL APRIL 18 WHEN THE SENATE IS EXPECTED TO VOTE ON THE SECOND TREATY DEALING WITH THE TERMS OF TRANSFER OF THE CANAL AND THE ZONE.

UNQUOTE.

4. FURTHER ARTICLES FOLLOW IN SEPARATE TELEGRAM. VANCE

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## Message Attributes

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